

AMENDMENT TO THE SPECIFICATION

Please amend paragraph 22 of the specification as follows:

[22] Referring to FIG. 1, depicted is a high-level flow chart illustrating the operation of one embodiment of the present invention. At step 101, the non-intra frames that are between consecutive I-frames are collected into video data sets referred to herein as "I-frame distance sets." Each I-frame distance set is then processed and ~~compresses~~ compressed in a loop (steps 103, 105, 107, and 109) and the results are then multiplexed into a bit stream (step 111). Specifically, step 103 controls a loop over each of the I-frame distance sets, in which motion components and quantized coefficients are generated (step 105), separated into components (step 107), and separately compressed (step 109).